



राजपत्र, हिमाचल प्रदेश

(असाधारण)

हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

शिमला, शनिवार, 1 अक्टूबर, 2005/9 आश्विन, 1927

हिमाचल प्रदेश सरकार

HIMACHAL PRADESH ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

Shimla - 2, 28 September, 2005

No. HPERC/ 391.—The following draft regulations, which the Himachal Pradesh Electricity Regulatory Commission proposes to make in exercise of the powers under clauses (i), (j), (k), (l), (m), (n), (o), (p) and (q) of sub-section (2) of section 181 read with clause (d) of sub-sections (2) of section 39, sub-clause (ii) of clause (c) of section 40, sub-sections (2) and (4) of

section 42, and clause (g) of section 61 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that behalf, are hereby published, as required by sub-section (3) of section 181 of the said Act, for the information of all the persons likely to be affected thereby; and, notice is hereby given that the said draft regulation will be taken into consideration after the expiry of thirty days from the date of their publication in the Rajpatra, Himachal Pradesh, together with any objections or suggestions which may within the aforesaid period be received in respect thereto.

The objections or suggestions in this behalf should be addressed to the Secretary, Himachal Pradesh Electricity Regulatory Commission, Keonthal Commercial Complex, Khalini, Shimla-171002.

DRAFT REGULATIONS

1. Short title, extent and commencement .—(1) These regulations may be called the Himachal Pradesh Electricity Regulatory Commission (Cross subsidy surcharge, additional surcharge, phasing of cross subsidy) Regulations, 2005.

(2) These regulations shall be applicable to any person engaged in the business of transmission/ distribution of electricity, all open access customers including captive power plants in the State of Himachal Pradesh.

(3) These regulations shall come into force from the date of their publication in the Rajpatra, Himachal Pradesh.

2. Definitions .—(1) In these regulations, unless the context otherwise requires, —

- (a) “Act” means the Electricity Act, 2003 (36 of 2003);
- (b) “Commission” means the Himachal Pradesh Electricity Regulatory Commission;
- (c) “licence” means a licence granted under section 14 of the Act to transmit electricity within the State of Himachal Pradesh and shall include the deemed licensee for the purpose; and
- (d) “licensee” means a person granted a license under section 14 of the Act or is a deemed licensee under the Act;

(2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings as assigned to them in the Act.

3. Cross subsidy surcharge.—(1) The Cross subsidy surcharge as provided under sub-section (2) of section 42 shall be payable by the consumers opting for Open Access.

(2) The Commission shall be guided by appropriate provisions in the National Policies and the Expert Group constituted by Forum of Indian Regulators in adopting the avoided cost method for calculation of the cross subsidy surcharge.

(3) Methodology for calculation of avoided costs—

- (a) The Generating Stations supplying power to the licensee shall be listed on merit order based on their variable cost or total cost—where there are no fixed costs or capacity charges.
- (b) Avoided cost shall be calculated based on the weighted average cost of power purchase for 5% of the marginal stations. The sum of the avoided cost and the normative network costs shall be then deducted from the average tariff of a category to get the cross subsidy surcharge for that particular category.
- (c) The cross subsidy surcharge payable by a consumer, other than a person who has established a captive generating plant for carrying the electricity to the destination of his own use, opting for open access shall be calculated in a manner as under:—

Cross Subsidy Surcharge = Average Tariff – Cost of Supply

Explanation.—For the purpose of this regulation.—

- (a) “Cross subsidy surcharge” means the cross subsidy surcharge per unit transmitted or wheeled for consumer category;
- (b) “Average Tariff” means the average rate arrived after dividing the revenues of than consumer category by sales of that consumer category;
- (c) “Cost of Supply” means the relevant cost per unit sale for consumers on a year to year basis consisting of generation, transmission and wheeling costs including losses

$$= \text{cost of power purchase} + \text{normative transmission cost} + \text{normative transmission losses} + \text{normative distribution costs} + \text{normative distribution losses};$$
 and
- (d) “Cost of Power purchase ^{marginal cost}” means the weighted average cost including fixed and variable cost of the 5% generating stations at the margin in the variable cost based merit order as approved by the Commission.

4. Reduction and Elimination of cross-subsidy surcharge.—(1) The phasing of the cross subsidy surcharge shall be within a period of five years, and the cross subsidy surcharge at the end of 5 years shall not be eliminated but will be at a normative level of 5% to provide for cross subsidy to the existing BPL and agriculture consumers.

(2) The base year for starting the elimination of cross subsidy surcharge shall be the financial year 2005 and the phasing will be in terms of percentage of the cross subsidy surcharge to be made applicable to the Open Access Consumers – starting from 100% in the first year to 5% in the sixth year as detailed in the Table hereunder:—

Year	Phasing Plan
FY05	100%
FY06	80%
FY07	60%
FY08	40%
FY09	20%
FY10	5%

5. Manner and utilization of payment of surcharge.—(1) The surcharge which is a compensatory charge payable to the distribution licensee of the area where the electricity is delivered to the consumer, shall be utilised to meet the requirements of current level of cross subsidy within the area of supply of the distribution licensee.

(2) The surcharge shall be collected on the monthly basis either by the distribution licensee or the transmission licensee, or the STU, depending on whose facilities are used by the consumer for availing electricity supplies. In all cases the amounts collected from a consumer should be paid to the distribution licensee in whose area the consumer is located.

(3) The surcharge will be utilised for providing energy supply to BPL and any other categories which the Commission may order from time to time.

6. Additional surcharge.—(1) An open access consumer shall also pay to the distribution licensee an additional surcharge to meet the fixed cost of such distribution licensee arising out of his obligation to supply as provided under sub-section (4) of section 42 of the Act.

(2) Additional surcharge will be payable by any consumer including any consumer who puts up a captive plant for his own use.

(3) The licensee shall provide the statement of accounts to be scrutinised by the Commission on the proof of redundancy or stranding of the assets, fixed costs for long term

supply agreement with generator and transmission licensee irrespective of energy drawl and Investments in network and also the expected duration of redundancy or stranding.

(4) The additional surcharge can be collected as a one time payment or on monthly basis.

7. Transmission & distribution loss sharing by Open access customers.—(1) The Open access consumer shall, as determined by the Commission, bear the transmission and distribution losses existing in the system and pay for these charges in kind for only technical losses at various voltage levels —

- (a) where the point of injection and point of drawl are at different voltage levels by the open access consumer, the charges payable in kind will be 50% of the technical loss prevalent at the injection point and 50% of the technical loss prevalent at drawl point.
- (b) where the point of injection and point of drawl are at the same voltage levels by the open access consumer, the charges payable in kind will be the prevalent technical losses at that voltage.

8. General conditions.—(1) Nothing in these regulations shall be deemed to limit or otherwise affect the powers of the Commission to make such orders as may be necessary to meet the ends of justice.

(2) Nothing in these regulations shall bar the Commission from adopting a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the special circumstances of a matter or a class of matters, deems it just or expedient for deciding such matter or class of matters.

(3) Nothing in these regulations shall bar the Commission from adopting, a procedure, which is at variance with any of the provisions of these regulations, if the Commission, in view of the force majeure events, deems it just or expedient for deciding such matter or class of matters.

(4) Nothing in these regulations shall, expressly or impliedly, restrict the Commission from dealing with any matter or exercising any power under the Act for which no regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner, as it considers just and appropriate.

9. Power to Amend.—The Commission may, at any time add, vary alter, modify or amend any provisions of these regulations.

10. Power to remove difficulties.—In case of any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, either suo motu or on an application made to it, do or undertake to do things, or by general or special order direct the licensee to take suitable action, not being inconsistent with the Act, which appears to the Commission to be necessary or expedient for the purpose of removing the difficulty.

11. Issue of orders and directions.—Subject to the provisions of the Act and these regulations, the Commission may, from time to time, issue orders and practice directions with regard to the implementation of these regulations and procedure to be followed for such implementation and matter incidental or ancillary thereto.

12. Interpretation.—All issues arising in relating to interpretation of these regulations shall be determined by the Commission and the decision of the Commission on such issues shall be final.

By order,
Sd/-

*Secretary,
Himachal Pradesh State Electricity Commission*